

Service Contract Act Policy - 5.7.P (12/15/99)

[Last Update: \(12/15/99\) ABachicha:dal - 5.7.P.0](#)

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This policy has been reformatted for placement on Sandia's External Web site.

Background - 5.7.P.1

The Service Contract Act (SCA) was enacted in 1965. It requires the observance of safety and health standards and the payment of wages and fringe benefits in accordance with a Department of Labor (DOL) wage determination based on prevailing wages or, if no wage determination pertains, on the minimum wage prescribed by the Fair Labor Standards Act (FLSA).


The SCA applies to all contracts, whose principal purpose is the furnishing of services in the U.S. through use of service employees. It applies to contracts which directly engage the time and effort of a Contractor whose primary purpose is to perform an identifiable task rather than furnish an end item of supply. SNL's policy requires the SCR to determine the applicability of the SCA.


Regardless of contract amount, service Contractors or subcontractors may not pay less than the FLSA minimum wage. For contracts over \$2,500, DOL may issue wage determinations for minimum wages and fringe benefits.

Policy - 5.7.P.2

It is Sandia's policy to comply with the Service Contract Act of 1965 when issuing contracts where the principle purpose of the contract is to provide services where service employees will be used.

Send feedback on ideas and information on this page to the Process Expert, Adolph Bachicha.

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